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SUBJECT: CHINA MAKES IT THROUGH ANOTHER SPRING FESTIVAL  
TRAVEL RUSH

REF: A. GUANGZHOU 82  
[1](#)B. 09 GUANGZHOU 715  
[1](#)C. 09 BEIJING 150  
[1](#)D. 08 BEIJING 390  
[1](#)E. 08 BEIJING 335

[1](#)1. (SBU) SUMMARY. Weather permitting, China's travel network looks set to make it through the strains of yet another Spring Festival travel rush. China's Ministry of Transport (MOT) expects 2.54 billion passenger trips to be taken over the 40 day season centered on the February 14 Spring Festival. Roads are the dominant mode of travel, but railways remain an important alternative on long distance routes. To address migrant workers' concerns about ticket hoarding and scalping, The Ministry of Railways (MOR) says it successfully trialed a new real-name ticketing system at 37 stations in south and central China. But even with China's huge stimulus spending of USD 100 billion on railway infrastructure, MOR doesn't expect rail capacity to catch up with peak season demand for another decade. Moreover, poor migrants are concerned that new, more costly high-speed rail (HSR) lines might actually reduce their travel options as cheaper services are eliminated. As China's society becomes more wealthy, Spring Festival travel patterns also appear to be changing, with a small but growing number of urban residents foregoing the annual return home to instead opt for tourist travel. END SUMMARY.

A BILLION HERE, A BILLION THERE  
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[1](#)2. (SBU) China's Spring Festival travel rush is again in full swing, as China's workers and migrants return to urban and coastal areas as the festival season comes to a close. In what is billed as the "world's largest annual human migration," China's Ministry of Transport (MOT) estimates a total of 2.54 billion passenger trips will be recorded during the 40 day travel season peak in 2010, before and after the February 14 Spring Festival. On any given day during the season, more than 60 million Chinese may be on the move. While great attention is paid to rail and other modes, it is actually China's road and long distance bus network that carries the bulk of the traffic, estimated at 2.27 billion passenger trips, a 7.5 percent increase from last year. Railways come a distant second, with Ministry of Railways (MOR) estimating 210 million trips in this year's season (up 9.5 percent). The travel picture is rounded out by water transport at 32 million passenger trips (up 3.6 percent) and

air transport at 28.9 million passenger trips (up 12.5 percent). Following initial reports of highway closures due to heavy snow in northern China, the weather seems to have cooperated for the most part, avoiding the huge delays experienced in 2008 (refs D and E).

#### A TALE OF TWO MODES - ROAD VERSUS RAIL

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¶3. (SBU) Road and rail represent to very different pictures in China. Long distance bus companies are primarily privately-owned, and are able to offer increased services and special routes via China's maturing highway network. But in rail, with a few exceptions MOR remains both the regulator and network operator. In spite of China's rush to build new rail capacity, track cannot be laid overnight, and rail ticket shortages on key long-haul routes have been a large source of frustration for China's migrants eager to travel home during Spring Festival. Claims of petty corruption by railway officials who sell tickets to scalpers are common. In 2009, a cell phone video of a Beijing Railway Station ticket vendor printing stacks of tickets at a closed ticket window, presumably to be resold on the street, became the viral video of the season, confirming many migrants' fears that the system was stacked against them.

#### REAL-NAME TICKET TRIAL WELCOMED BY MIGRANTS

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¶4. (SBU) In 2010, MOR announced the trial deployment of a real-name ticketing system, implemented at 37 stations in southern and central China, including Guangzhou, a major

BEIJING 00000406 002 OF 003

migrant destination, and Chengdu, a major source of migrants in inland Sichuan Province. The trial -- taking place from January 30 to March 30 -- will require that ticket buyers give the name of passengers who will then be allowed to board only with proof of identification. MOR hopes that the system will root out speculative ticket hoarding and ensure that tickets will be available at stations rather than from scalpers.

¶5. (SBU) According to survey team from the National Statistics Bureau in Guangzhou, 94 percent of migrants supported the real-name ticketing system, but 17 percent feared the new system would complicate boarding at stations. Implementation was not without issues (ref A). One press photo showed the staff of one trial station helping late passengers board through the train windows, resulting in disciplinary action for the station management and workers. But MOR spokesman Wang Yung commented that on February 14 that Guangzhou-area train stations had successfully passed the initial 15-day implementation of the new system. Vice-Minister of Railways Hu Yadong proudly proclaimed, "It has effectively suppressed ticketing scalpers during the Spring Festival Rush."

#### BUT RAIL CAPACITY NEEDS A DECADE TO CATCH UP

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¶6. (SBU) In spite of the new ticketing system and a near doubling of railway investment in 2009, train tickets still far from meet demand during the peak season. MOR's investment was boosted even further to USD 100 billion in 2010, and officials expect this to be maintained for several years as stimulus funds are disbursed for high-speed rail (HSR) projects and freight rail improvements. (Comment: Spending stimulus money on railways, especially high-speed rail, has become an effective way for the Chinese government to prop up badly needed domestic demand, maintain employment and boost the domestic economy to compensate for the fall in exports. End Comment.) However, it will still take some years for current projects to begin service. A senior MOR official stated that railway infrastructure would finally meet the demands of the peak travel season in 2020.

17. (SBU) Yet not all are pleased with the changes. With the opening of the new Guangzhou-Wuhan line on December 26, many migrants complained about the high cost of tickets on the new line and about the decision to reduce the number of more affordable, slower trains (ref B). Tickets on this new line between central and southern China cost RMB 490 (USD 72.00) while the regular sleeping berth ticket cost only RMB 200 (USD 29.00). The bulk of Spring Festival passengers are migrant workers labors from rural areas and students who are very price sensitive. Some transportation analysts have even suggested that cities which benefit from the new lines should subsidize the HSR tickets for migrants during the Spring Festival rush.

#### HELL'S ANGELS - CHINA STYLE

18. (SBU) Unable to wait for China's rail build out, and unwilling to pay more for tickets, Chinese media reported that some migrants are choosing to travel home via motorbike, taking advantage of China's improving road network. Motorbike travel is much cheaper, as little as RMB 100 (USD 14.50), a fraction of the cost of using commercial bus or rail services. It was estimated that nearly 100,000 migrants left Guangdong Province via motorbike this Spring Festival, prompting local officials to establish dedicated rest areas and free tea, to enable drivers and passengers to rest and hopefully reduce accidents.

19. (SBU) Demographic changes are also likely to impact the future of Spring Festival Rush, as migrants begin to identify more closely with their new urban homes. Chinese media carried anecdotal reports of young workers skipping the trip home, at times to avoid on the costly traditional gift-giving to young relatives; other times preferring to take pleasure trips with their urban friends instead of visiting their hometown.

BEIJING 00000406 003 OF 003

HUNTSMAN